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FORM D



UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM D

NOTICE OF SALE OF SECURITIES PURSUANT TO REGULATION D. **SECTION 4(6), AND/OR**

OMB APPROVAL							
OMB Number:	3235-0076						
Expires:	May 31, 2005						
Estimated avera	age burden						
hours per respo							

SEC USE ONLY					
Prefix	Serial				
DA	TE RECEIVED				
	1				

UNIFOR	IVI LIVILLED OFFERING EXEMI	riion
Name of Offering (check if this is an amendment		
ZARS, Inc. Series C Convertible Preferred S	Stock	
Filing Under (Check box(es) that apply): Rule	e 504 Rule 505 Rule 506 Section 4(6)	ULOE
Type of Filing: New Filing Amendment		RECEIVED
	A. BASIC IDENTIFICATION DATA	2000
1. Enter the information requested about the issuer		JAN 0 5 2003
Name of Issuer (check if this is an amendment a	nd name has changed, and indicate change.)	
ZARS, Inc.		185/55/
Address of Executive Offices	(Number and Street, City, State, Zip Code)	Telephone Number (including Area Code)
1142 West 2320 South, Suite A, Salt Lake	City, Utah 84119	(801) 350-0202
Address of Principal Business Operations	(Number and Street, City. State, Zip Code)	Telephone Number (Including Area Code)
(if different from Executive Offices) (same as above)		(same as above)
Brief Description of Business	Control of the Contro	
ZARS, Inc. develops proprietary products technology.	to administer drugs non-invasively through	the skin using its patented heat-delivery
Type of Business Organization		(D)(())(())(())(())(())(())(())(())(())
		please specify):
business trust limited	partnership, to be formed	olease specify): JAN 05 2005
Actual or Estimated Date of Incorporation or Organization: (Enter t CN		mated THOMSON
GENERAL INSTRUCTIONS		
Federal: Who Must File: All issuers making an offering of securing	ties in reliance on an exemption under Regulation D or	Section 4(6), 17 CER 230 501 et seg, or 15 II S C

77d(6).

When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where To File: U.S. Securities and Exchange Commission. 450 Fifth Street. N.W. Washington, D.C 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

ATTENTION .

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predictated on the filing of a federal notice.

OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

sold. Enter "0" if the answer is "none" or "zero." If the transaction is an exchange offering, check this box \[\] and indicate in the columns below the amounts of the securities offered for exchange and		,
already exchanged.		
Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	S	s
Equity		§ 22,179,703.93
Common Mr Preferred	¥ <u></u>	
Convertible Securities (including warrants)	s	S
Partnership Interests.		•
Other (Specify		
Total		\$ 22,179,703.93
Answer also in Appendix, Column 3. if filing under ULOE.	Ψ	φ_==,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
2. Enter the number of accredited and non-accredited investors who have purchased securities in this		
offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their		
purchases on the total lines. Enter "O" if answer is *'none" or "zero."		Aggregate
	Number Investors	Dollar Amount of Purchases
Accredited Investors	47	§ 22,179,703.93
Non-accredited Investors		S
Total (for filings under Rule 504 only)		s
Answer also in Appendix, Column 4, if filing under ULOE.		
3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C Question 1.		
Time of Offering	Type of Security	Dollar Amount Sold
Type of Offering Rule 505	Security	Sold
Regulation A		
Rule 504		•
Total		3
		\$
4 a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the insurer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.		
Transfer Agent's Fees		\$
Printing and Engraving Costs		\$
Legal Fees.	X	§ 150,000
Accounting Fees		\$
Engineering Fees		\$
Sales Commissions (specify finders' fees separately)	_	§ 900,000*
Other Expenses (identify)		\$
Total	_	S_1,050,000

_				
	b. Enter the difference between the aggregate offeri and total expenses furnished in response to Part CC	Question 4.a. This difference is the "adjusted gro	SS	
	proceeds to the issuer."		•	§ 22,950,000
5.	Indicate below the amount of the adjusted gross proceeds of the purposes shown. If the amount for any check the box to the left of the estimate. The total of proceeds to the issuer set forth in response to Part	purpose is not known, furnish an estimate and the payments listed must equal the adjusted gro	i	
			Payments to Officers. Directors, &	Payments to
			Affiliates	Others
	Salaries and fees			
	Purchase of real estate		\$. 🗆 \$
	Purchase, rental or leasing and installation of mach and equipment	ninery	\$	<u> </u>
	Construction or leasing of plant buildings and facil	lities	S	. [] \$
	Acquisition of other businesses (including the valu offering that may be used in exchange for the asset issuer pursuant to a merger)	ts or securities of another	<u>, </u>	S 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Repayment of indebtedness		S. C. C.	\$ 24
	XX7 1 1	and the second s		E 22 950 000
	Other (specify):			ins Table
	Other (specify):			
			. S	S
	Column Totals		 \$	\$ 22,950,000
180	Total Payments Listed (column totals added)		¥ \$ <u>22</u>	2,950,000
		D. FEDERAL SIGNATURE		
sig	issuer has duly caused this notice to be signed by the nature constitutes an undertaking by the issuer to furn information furnished by the issuer to any non-accret	ish to the U.S. Securities and Exchange Comm	ission, upon writter	
450	er (Print or Type) RS, Inc.	Signature	Date 12-23-	of The
Naı	ne of Signer (Print or Type)	Title of Signer (Print or Type)		
D.	hert Finnert	Chief Operating Officer		

OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

ATTENTION -

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C.1001.)

	APPENDIX									<u>. </u>	
	1	to non-a	d to sell accredited rs in State -Item 1)	Type of security and aggregate offering price offered in state (Part C-Item 1)		Type of investor and amount purchased in State (Part C-Item 2)			5 Disqualification under State ULC (if yes, attach explanation of waiver granted) (Part E-Item 1)		
	State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No	
L	ÅL										
	AK		X	Series C Preferred Convertible/\$99.999		99,999	0	0		X	
L	AZ									S. Fy	
	AR								e da la	WAY.	
	CA		X	Series C Preferred Convertible/12,945,977	1	12,945,977	0	0	· ivái	X	
L	со										
	СТ				Harris Santa						
_	DE								1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Region is to The Land	
L	DC										
_	FL		X	Series C Preferred Convertible/\$172,608	2	172,608	0	0		X	
	GA	HALAN.	X	Series C Preferred Convertible/\$61,300	1	61,300	0	0		X	
	ні				क्रमीति स्रोति है हुए जिल्ला के हैं तो अपने स्थापन जिल्ला है जिल्ला जिल्लाहरू हो अस्तर स्थापन						
L	ID		X	Series C Preferred Convertible/\$144,999	3	144,999	0	0	4 4	X	
	ΠL	5 23								A. J. S	
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	IA										
_	KS				र्यक्षात्रक केन्द्रकाली सम्बद्धिताली निर्माण						
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			r	APP	ENDIX				·
	Intend to non-a	I to sell ccredited s in State Item 1)	Type of security and aggregate offering price offered in state (Part C-Item 1)		4 Type of investor and amount purchased in State (Part C-Item 2)			5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item I)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
МО		X	Series C Preferred Convertible/\$150,663	5	150,663	0	0		X
MT		17.188							
NE									
NV	N.C.	127 2 (8) 3 8 1 8 1							
NH									
NJ									sign for the
NM			· · · · · · · · · · · · · · · · · · ·						properties The
NY		X	Series C Preferred Convertible/\$99,999	1 5 1388 A.	99,999	0	0	1 1	X
NC	१५४ भगका । १५५४ भगवा । संबंधित संस्थित								
ND	Pogađarna Str≨nja	, stabylik j sa naj n							
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RI								1	11.2.1
SC	Serve Serve Proposition	X	Series C Preferred Convertible/\$30,650	4	30,650	0	0		X
SD		A Merca Post Herri							
TN		X	Series C Preferred Convertible/\$183,900		183,900	0	0	·.	X
TX		41.11			en jarabile Jarahan	The area of the control of the contr			
UT		X	Series C Preferred Convertible/\$5,870,360	20	5,870,360	0	0		X
VT	12 W 4- 3	New Yorkship					\$ 1 mm		* :
VA									
WA									
wv		28.50							
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				APP	ENDIX				
1	1, 6,	2	3		4				
	to non-a	to sell ccredited s in State Item 1)	Type of security and aggregate offering price offered in state (Part C-Item 1)		Type of investor and amount purchased in State (Part C-Item 2)			Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Itern 1)	
State	Yes	No	·	Number of Accredited	Accredited Non-Accredited			17	N-
State	i es	No	***************************************	Investors	Amount	Investors	Amount	Yes	No
WY									
PR		3-47-5 A 5 x 45 5							